

Kennecott Utah Copper  
4700 Daybreak Parkway  
South Jordan, Utah 84095  
801-569-7128 (o)  
801-569-7192 (f)

Kelly L. Payne, P.G.  
Manager - Environment

15 August 2012

VIA EMAIL AND US MAIL

Mr. Paul Baker  
Utah Division of Oil, Gas & Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114 - 5801

**Subject: Q2 2012 Quarterly Reclamation Report**  
**M/035/002 Bingham Canyon; M/035/009 (Barneys Canyon);**  
**M/035/011 (Copperton Concentrator); M/035/015 (North Tailing);**  
**M/045/004 (Pine Canyon)**

Dear Mr. Baker:

Please find attached the Q2 2012 Kennecott Utah Copper reclamation reporting register. This register is submitted to provide the Division with a current status of reclamation activities planned (or additional) for 2012. Kennecott's intent is to submit this voluntary report no later than 45 days after the end of any calendar quarter.

Please contact Thiess Lindsay (801-569-6066) should you have any questions concerning this submittal.

Regards,



Kelly L. Payne, P.G.  
Manager - Environment

Enclosure

cc: Leslie Heppler (UDNR-UDOGM)

M/035/0002  
M/035/0011  
M/045/0004  
M/035/0009  
M/035/0015  
cc: Leslie

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DIV. OF OIL, GAS & MINING

MIRP	PLANT	AREA / PROJECT	Planned <sup>1</sup>							
			BAT	Engineering	Design	Install	% Complete			
							Q1	Q2	Q3	Q4
M/036/0002	Bingham Canyon	Lower Bingham Canyon waste rock disposal area @ between 6190 & 6200 section	(1) Fertilize areas of stressed vegetation @ ~30 acres			Evaluating fertilization potential	0%	0%		
M/036/0002	Bingham Canyon	Lower Bingham Canyon waste rock disposal area @ 6200 section		(1) Fertilizer comparison field trial: Monitoring @ year 2		Field trial evaluated completed in Q2, report anticipated in Q3/Q4 2012	0%	80%		
M/036/0002	Bingham Canyon	Bingham Canyon waste rock disposal area @ between 6190 & 6200 section	(1) Plant ~2000 seedlings in area reclaimed in 2011 @ 25 acres			Currently evaluating quantities available. Removal scheduled for Q3 & Q4 2012	0%	0%		
M/036/0002	Bingham Canyon	Lower Bingham Canyon waste rock disposal area @ 6190 section (Approx. 2 acre area)		(1) Continue survey and analysis of 2:1 slope test area		Periodic field observations of 2:1 slope continue.	(1) 0%	(1) 30%		
M/036/0002	Bingham Canyon	Various test plots & established vegetation at Bingham Canyon Mine (BCM)	Vegetation Monitoring (1) Various test plots associated with BCM (2) monitoring for seedling success associated with Bingham Canyon Reclamation (3) Vegetation condition monitoring across BCM (native and reclaimed)			Field evaluation completed in Q2, report anticipated in Q3/Q4 2012	0%	80%		
M/036/0002	Bingham Canyon	Soil nutrient monitoring	(1) Sample and laboratory analysis of soil nutrients and condition across BCM historic reclamation (2) Review and reporting			Field trial evaluated completed in Q2, report anticipated in Q3/Q4 2013	0%	80%		
M/036/0002	Bingham Canyon	Code 22 soil salvage	(1) Salvage and stockpile native soils associated with Code 22 dump expansion			Approximately 24,480 yd <sup>3</sup> salvaged and stockpiled for future use	0%	100%		
M/036/0002	Bingham Canyon	South Pushback Soil Salvage Pioneering Work	(1) Continued soil salvage and stockpile from south pushback as practical as part of the pioneering work			This work will begin Q3	0%	0%		
M/036/0002	Bingham Canyon	Store and Release Cover (Keystone)		(1) Field visit by O'Kane Consultants and continued technical support (2) Continue to collect meteorological and infiltration data		(1) First of 2 field visits and calibrations completed in Q2 2012 (2) Data acquisition continues as scheduled	(1) 0% (2) 25%	(1) 50% (2) 50%		
M/036/0002	Bingham Canyon	Store and Release Cover (Bingham Canyon Area) and infiltration monitoring		(1) Bingham Canyon Area - infiltration monitoring of native soils and historic reclamation (2) Bingham Canyon Area - Store and release cover modeling (3) Bingham Canyon - Store and release cover field trial installation		(1) Data acquisition continues, calibration completed in Q2 2012 (2) Modeling completed in Q2 (3) Proposal drafted, field trial tentatively planned for Q3/Q4 2012	(1) 25% (2) 75% (3) 0%	(1) 50% (2) 100% (3) 85%		
M/036/0002	Coe Haulage	Abandonment of 8.7 Miles of Trax - Copperfen Low Line			(1) Remove track, ties (2) Remove and deposit ballast (3) Regrade and revegetate	Rail, ties, and ballast removed for the entire area. Owners have requested to area to not be returned to natural state	(1) 75% (2) 61% (3) 50%	(1) 100% (2) 100% (3) 100%		
M/036/0003	Coe Haulage	Abandonment of 6.8 Miles of Trax - Copperfen Low Line			(1) Remove track, ties (2) Remove and deposit ballast (3) Regrade and revegetate	Ballast removal began late Q2 with only 0.5 miles removed	(1) 60% (2) 0% (3) 0%	(1) 60% (2) 10% (3) 0%		
M/036/0002	South Tailing	Entire	(1) Application of Limestone up to 100 acres			Limestone to be delivered 1st part of Q3	0%	0%		
M/036/0009	Barneys Canyon	Entire	None planned in 2011			None completed in 2011	(1) N/A	(1) N/A		
M/036/0011	Concentric	Entire	None planned in 2012			None completed in 2012	(1) N/A	(1) N/A		
M/036/0015	North Tailing	Entire	(1) Place growth media on final outer slopes of 100 acres @ target depth of 18" (2) Seed soil (3) Condition soil as needed			(1) Placed soils on 100 acres @ 18"-24" thick (2) seed @ 100 acres (3) straw and fertilizer @ 100 acres	(1) 10% (2) 0% (3) 0%	(1) 63% (2) 15% (3) 38%		
M/036/0016	North Tailing	Entire	Re-seed 100 acres			In process	0%	43%		
M/046/0004	Pine Canyon	Entire	None planned in 2012			None completed in 2012	(1) N/A	(1) N/A		

<sup>1</sup>2012/2022 Board Presentation and/or 2010/2017 Reclamation Activities Plan

<sup>2</sup>Expend a minimum average, of \$50,000 - \$157,800 dollars per year for each three year period, in maintaining a program of experimentation and in the application of BAT toward rehabilitation of land.

Mine BAT/Roc includes rental, maintenance and operation of equipment, seed/seeding, fertilizer/mulch/limestone application and purchase.

<sup>3</sup>Information incorporates GHG reclamation activities assessment.

<sup>4</sup>These amounts are budgeted and will be applied on an "as needed" basis dependent upon field conditions.

<sup>5</sup>Data collection is anticipated for the next two to five years